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Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M St. , N.W. Room 222
Washington, D.C. 20554

        Re: Ex Parte Meeting: CC Docket No. 95-116

Dear Ms. Salas:

        This is to notify you that on October 20, 1998, Pamela Riley, Paula Jordan, and
Steve Sharkey of AirTouch Communications (AirTouch) met with Jeanine Poltronieri,
David Furth, Gayle Radley Teicher, Patrick Forster, Clint Odom, Charlene Lagerwerff, and
Janice Jamison of the Commission staff. The purpose of the meeting was to discuss the
status of industry compliance with the March 31, 2000 deadline for implementation of
wireless number portability and to highlight issues in support of CTIA's petition for
forbearance. AirTouch believes that the costs of number portability far outweigh the
benefits near-term, but that industry developments over the next five or more years will
support a fully portable environment. While it is possible to implement portability earlier
than 2005, it is not possible to do it in a manner that best serves the public.

CURRENT STATUS

        On September 1, 1998, the Commission released a Memorandum, Opinion and
Order extending the date from June 30, 1999 to March 31, 2000, by which all cellular,
broadband PCS, and covered SMR providers must offer service-provider number
portability, including the ability to support roaming. Implementation of number portability
requires wireless networks to separate use of the Mobile Identification Number (MIN) (a
10 digit number used to identify a specific wireless device and the service provider) from
the Mobile Directory Number (MDN) (generally the dialable 10 digit number). Currently,
most cellular networks in North America do not differentiate the MIN from the MDN.
However, number portability requires that these numbers be separated so that the MDN can
be identified with a specific user while the MIN can be associated with a carrier.

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The standards to implement this change are currently in the balloting stage, with final adoption expected by early 1999. It is AirTouch's understanding that vendors have begun to develop equipment that will meet the new standard. Vendor development cycles typically take between 18 to 24 months, and carriers require at least 9 months lead time to test and deploy system-wide changes. Unless vendors complete delivery of all network element and support system upgrades by June, 1999, compliance with the March 2000 deadline will not be possible.

Carriers have begun the extensive conversion process, identifying needed changes and planning implementation schedules and budgets. The reengineering required impacts all CMRS switching, routing, provisioning, billing, authentication, registration, and roaming support. Software code must be rewritten one module at a time, in precisely the same painstaking process needed to support Year 2000 compatibility. AirTouch has calculated that Information Technology resources will run higher than $50 million for its Phase II implementation, assuming sufficient numbers of programmers can be located in a labor market facing a critical shortage of skilled software professionals.

These costs must be balanced against the benefits of wireless number portability. Extensive market research and churn rates within the industry indicate that wireless customers freely move between operators based upon price, network coverage, and service quality. Carriers will better serve customers by expanding their networks, transitioning to digital service, and improving the speed and responsiveness of current support systems than by the overhaul required to support porting of telephone numbers.

Wireline-Wireless Integration

The CMRS industry vision is one of a steady and significant migration of overall telecommunications traffic from wireline to wireless networks. As wireless pricing gets closer to wireline pricing, wireless usage is increasing. Analysts predict that wireless voice and data traffic worldwide will grow from 2% to 25% of total telecommunications minutes between the years of 1998 and 2005.[1] Over this period, customers will be more apt to choose a wireless phone instead of a wireline phone as their main communications device. The Commission has expressed its belief that number portability between wireline and wireless networks will facilitate this important aspect of local telephone competition.

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[1] Strategy Analytics, January 1998.

Ms. Jordan is currently Co-Chair of NANC's Wireline-Wireless Integration Sub-Committee for Local Number Portability. Ms. Jordan summarized for Commission staff the position of wireline carriers that the implementation of wireline-wireless number portability should be delayed until there is a plan to deal with rate center disparities.[2]

Wireline networks are structured around rate centers which constitute a user's local calling area. Any given NXX is limited to use within a rate center. Wireless networks, however, are structured to allow use of NXX codes within much larger local calling areas, each accommodating multiple rate centers. Numbers associated with an NXX code may be distributed throughout any number of switches within these larger areas. Because CMRS numbering areas do not correspond to the wireline rate centers, it will not be possible for wireless carriers to port numbers to wireline carriers. Thus a "one way street" will develop with respect to wireless/wireline number portability.

Other disparities between the two industries include intervals needed to process porting requests. These disparities reflect the differences in the wireline and wireless markets including customer expectations, degree of competitiveness, and flexibility of provisioning systems. AirTouch is concerned that incompatibility between the approaches of the wireline and wireless industries for number assignment will result in delaying portability between the two industries, while still requiring costly changes for wireless networks. Implementing wireless/wireless portability while delaying wireless/wireline portability would not serve the Commission's goal of promoting a competitive environment.

Nationwide Roaming

The Commission's Order implementing number portability requires networks to support roaming of ported numbers.[3] Yet, the Order only requires carriers to offer portability in the top 100 MSAs. AirTouch believes that this has created confusion within the industry with regard to which carriers need to implement the changes necessary to support number portability. AirTouch has not seen wide participation of smaller rural carriers in developing standards for number portability and is not aware of any effort on the part of these carriers to begin preparing to implement the necessary changes. However, while carriers outside of the top 100 MSAs are not required to provide number portability, it is necessary for them to implement the same changes (i.e. separation of the MIN from the MDN) if they are to support roaming. To the extent that these carriers have not begun the preparations necessary to support these changes, AirTouch believes it will be difficult, if not impossible, for these carriers to implement changes by March 31, 2000.

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[2] See NANC Report, Wireline Position Paper at Para. III.F., pp 42-43.

[3] Telephone Number Portability, *First Report and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 95-116, 11 FCC Rcd 8352 (1996).

International Roaming

The majority of wireless carriers in North America use the 10-digit MIN/MDN numbering system. Although significant resources have been expended to enable separation of these two numbers to facilitate number portability and nationwide roaming in response to the Commission mandate, efforts are also underway to implement an international numbering system that will facilitate worldwide roaming. The International Forum of AMPS Standards Technology (IFAST) is an organization of carriers from all regions of the world seeking to improve interoperability among mobile networks. IFAST has begun to develop standards for use of a 15-digit International Mobile Station Identifier (IMSI) in conjunction with the MDN. Some U.S. carriers deploying GSM technology currently use a IMSI/MDN standard in their networks. Competitive forces are thus motivating U.S. carriers of other technologies, including AirTouch, to transition to an IMSI standard independent of any regulatory intervention.

The IFAST has targeted 2005 as the date by which IMSIs will be widely deployed in U.S. CMRS networks. Interim steps include establishing standards processes for multiple technologies, evaluating limitations within existing switches and systems to accommodate 15-digit fields for our aspects of service, and developing and testing solutions. Implementing use of the IMSI in place of the MIN will require many of the same changes that would be required in separating the MIN from the MDN. IMSI implementation will thus be able to support number portability in the same manner as a network using a separated MIN/MDN and will also be able to support worldwide rather that nationwide roaming. Accordingly, if the Commission adheres to the March 31, 2000 schedule, carriers will be forced to make many of the same networks changes twice -- once in response to a regulatory mandate that will have little or no impact on the competitive environment and again a few years later to accommodate changes in consumer expectations for ever greater convenience and capability.

CONCLUSION

In view of the above, AirTouch supports forbearance of the number portability obligations for wireless carriers. Industry efforts will not end. Wireless carriers are working toward system changes that will encourage subscribers to use wireless phones. As consumer dependence on wireless services grow, replacement of landline services will increase driving demand for number portability, and wireless operators must be positioned to respond. The promise and power of mobility includes the ability access service wherever customers work or travel, including increasing international demands. The Commission can continue to monitor industry progress and determine on an annual basis if the public interest would be served by regulatory deadline to facilitate competitive developments. AirTouch believes that imposing a deadline in today's environment is both counterproductive and inefficient.

Sincerely,

Pamela Riley

Pamela J. Riley
Vice President, Federal Regulatory

cc: Jeanine Poltronieri
       David Furth
       Gayle Radley Teicher
       Patrick Forster
       Clint Odom
       Charlene Lagerwerff
       Janice Jamison